

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 2004-00264
NATURAL GAS COMPANY, INC.)	

ORDER

On December 27, 1999, in Case No. 1999-00176, the Commission approved rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment in accordance with Delta's gas cost adjustment ("GCA") clause.

On June 28, 2004, Delta filed its proposed GCA to be effective August 1, 2004.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Delta's expected gas cost ("EGC") is \$8.0439 per Mcf, which is 49.99 cents per Mcf more than the previous EGC of \$7.5440.
3. Delta's notice sets out no current quarter refund adjustment ("RA"). Delta's notice sets out no total RA, which represents no change from the previous total RA.
4. Delta's notice sets out a current quarter actual adjustment ("AA") of (82.71) cents per Mcf. Delta's total AA is 49.26 cents per Mcf, which is a decrease of 80.26 cents per Mcf from the previous total AA.
5. Delta's notice sets out a balance adjustment ("BA") of (14.24) cents per Mcf, which represents an increase of 84.73 cents per Mcf from the previous BA.

6. Delta's GCA is \$8.3941 per Mcf, which is 54.46 cents per Mcf more than the previous GCA of \$7.8495.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Delta on and after August 1, 2004.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after August 1, 2004.

2. Within 20 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 20th day of July, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and flourishes, positioned above a horizontal line.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00264 DATED JULY 20, 2004

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	plus	<u>Gas Cost Recovery Rate</u>	equals	<u>Total Rate</u>
Residential					
Monthly Service Charge	\$8.00				
All Mcf	\$3.6224		\$8.3941		\$12.0165
Small Non-Residential					
Monthly Service Charge	\$17.00				
First 200 Mcf	3.6224		\$8.3941		\$12.0165
Next 800 Mcf	2.4000		8.3941		10.7941
Over 1,000 Mcf	2.0495		8.3941		10.4436
Large Non-Residential					
Monthly Service Charge	\$50.00				
First 200 Mcf	\$3.6224		\$8.3941		\$12.0165
Next 800 Mcf	2.0063		8.3941		10.4004
Next 4,000 Mcf	1.3190		8.3941		9.7131
Next 5,000 Mcf	.9190		8.3941		9.3131
Over 10,000 Mcf	.7190		8.3941		9.1131
Interruptible					
Monthly Service Charge	\$250.00				
First 1,000 Mcf	\$1.6000		\$8.3941		\$9.9941
Next 4,000 Mcf	\$1.2000		8.3941		9.5941
Next 5,000 Mcf	.8000		8.3941		9.1941
Over 10,000 Mcf	.6000		8.3941		8.9941

